



February 8, 2008

ENGROSSED SENATE BILL No. 51

DIGEST OF SB 51 (Updated February 7, 2008 8:57 am - DI 96)

Citations Affected: IC 5-10.2; IC 5-10.4.

Synopsis: Reemployment of retired public employees. Reduces from 90 days to 30 days the waiting period after which a retired member of the: (1) state teachers' retirement fund (TRF); or (2) public employees retirement fund (PERF); may be reemployed in a covered position and continue to receive a retirement benefit.

Effective: July 1, 2008.

Weatherwax, Landske, Deig, Tallian, Sipes

(HOUSE SPONSORS — NIEZGODSKI, BUELL, STILWELL, BURTON)

January 8, 2008, read first time and referred to Committee on Pensions and Labor.
January 17, 2008, amended, reported favorably — Do Pass.
January 22, 2008, read second time, ordered engrossed.
January 23, 2008, engrossed.
January 24, 2008, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 4, 2008, read first time and referred to Committee on Labor and Employment.
February 7, 2008, amended, reported — Do Pass.

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ES 51—LS 6033/DI 102+



February 8, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 51

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-10.2-3-3, AS AMENDED BY P.L.72-2007,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2008]: Sec. 3. (a) This section does not apply to a member of
4 the Indiana state teachers' retirement fund who ~~after June 30, 2007~~ is
5 reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's
6 retirement in a position covered by the Indiana state teachers'
7 retirement fund.
8 (b) Members' contributions, other than members' contributions paid
9 on behalf of a member, shall be deducted from their compensation even
10 if the net compensation to the member is less than the statutory
11 minimum.
12 (c) The payment of a member's compensation minus the deduction
13 constitutes a complete discharge of all claims for services rendered by
14 the member during the period covered by the payment, except the
15 claim for benefits under this article.
16 SECTION 2. IC 5-10.2-4-8, AS AMENDED BY P.L.72-2007,
17 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2008]: Sec. 8. (a) As used in this section, "exempt amount" means, in the case of a member who has not attained the Social Security normal retirement age for unreduced benefits, thirty-five thousand dollars (\$35,000), computed for the calendar year in which a retired public employees' retirement fund member is reemployed and computed for the fiscal year in which a retired teachers' retirement fund member is reemployed.

(b) This subsection does not apply to a member who is employed by the department of education, ~~or after June 30, 2007,~~ to a member of the Indiana state teachers' retirement fund who is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position covered by the Indiana state teachers' retirement fund, **or after June 30, 2008, a member of the public employees' retirement fund who is reemployed more than thirty (30) days after the member's retirement in a covered position.** If a member who is receiving retirement benefits and who has not attained the Social Security normal retirement age for unreduced benefits:

- (1) becomes reemployed in a position covered by this article; and
- (2) earns in that position more than the exempt amount;

~~his the member's~~ retirement benefit payments shall stop, and the member shall begin making contributions as required in IC 5-10.2-3-2. However, employer contributions shall be made throughout the period of reemployment. The earnings limitation under this subsection does not apply to a member who has attained the Social Security normal retirement age for unreduced benefits.

(c) If a member who is receiving retirement benefits is reemployed in a position covered by this article not more than:

- (1) ~~ninety (90)~~ **thirty (30)** days after the member's retirement, **for a member of the public employees' retirement fund; or**
- (2) **thirty (30) days after the member's retirement, for a member of the Indiana state teachers' retirement fund;**

the member's retirement benefits shall stop, the member shall begin making contributions as required by IC 5-10.2-3-2, and employer contributions shall be made throughout the period of reemployment.

(d) This subsection does not apply ~~after June 30, 2007,~~ to a member of the Indiana state teachers' retirement fund who is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position covered by the Indiana state teachers' retirement fund. If a retired member is reemployed in a position covered by this article, section 10 of this chapter applies to the member upon the member's retirement from reemployment.

(e) The following apply to a member of the Indiana state teachers'

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retirement fund who ~~after June 30, 2007,~~ is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position covered by the Indiana state teachers' retirement fund:

(1) The member's retirement benefit payments continue during the member's period of reemployment without regard to the amount of the member's earnings from the covered position.

(2) The member may not make contributions under IC 5-10.2-3-2 or IC 5-10.4-4-11 during the member's period of reemployment.

(3) The member's employer may not make contributions under IC 5-10.2-2-11 or IC 5-10.4-4-11 for or on behalf of the member during the member's period of reemployment.

(4) The member does not earn creditable service under IC 5-10.2-3-1 for the member's period of reemployment.

(5) The member is not entitled to an additional benefit under sections 9 and 10 of this chapter for the member's period of reemployment.

(f) The thirty (30) day period provided for in subsection (c)(2) may be implemented unless the board of trustees of the Indiana state teachers' retirement fund receives a determination from the Internal Revenue Service prohibiting the implementation.

SECTION 3. IC 5-10.2-4-9, AS AMENDED BY P.L.72-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) This section does not apply ~~after June 30, 2007,~~ to a member of the Indiana state teachers' retirement fund who is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position covered by the Indiana state teachers' retirement fund.

(b) If a member dies during reemployment and retirement benefits from before ~~his~~ **the member's** reemployment are payable after ~~his~~ **the member's** death, the payment of these amounts shall be made without change, and any additional benefit earned during reemployment shall be paid as provided in section 10 of this chapter.

SECTION 4. IC 5-10.2-4-10, AS AMENDED BY P.L.72-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) This section does not apply ~~after June 30, 2007,~~ to a member of the Indiana state teachers' retirement fund who is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the member's retirement in a position covered by the Indiana state teachers' retirement fund.

(b) Benefits provided under this section are subject to IC 5-10.2-2-1.5.

(c) Upon termination of reemployment, except by death, the

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1 retirement benefits from before the member's reemployment which are
2 payable after termination shall be paid without change.

3 (d) If the member is reemployed for fewer than ninety (90)
4 consecutive school or working days, upon termination of
5 reemployment, contributions and interest credited to the member's
6 annuity savings account shall be paid to the member.

7 (e) If the member is reemployed for ninety (90) or more consecutive
8 school or working days, upon termination of reemployment, the
9 member shall receive an additional benefit.

10 (f) The additional retirement benefit consists of the sum of a
11 supplemental pension and a supplemental annuity. The supplemental
12 pension is computed under section 4 of this chapter using the
13 member's:

14 (1) years of service during the member's reemployment; and

15 (2) average compensation during the member's reemployment, if
16 the member is reemployed for less than five (5) years, or average
17 of the annual compensation (as defined in section 3 of this
18 chapter) during the member's reemployment.

19 If the member is entitled to a supplemental annuity, it consists of an
20 annuity provided by contributions and interest credited to the member
21 during reemployment, if any.

22 (g) The additional retirement benefits are guaranteed for five (5)
23 years or until the member's death, whichever is later. The member may
24 choose instead of the guaranteed payments any of the options under
25 section 7 of this chapter for the payment of the member's additional
26 retirement benefits.

27 (h) IC 5-10.2-2-7 applies to additional retirement benefits.

28 SECTION 5. IC 5-10.4-4-11, AS AMENDED BY P.L.72-2007,
29 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2008]: Sec. 11. (a) This section does not apply ~~after June 30,~~
31 ~~2007;~~ to a member who is reemployed more than ~~ninety (90)~~ **thirty**
32 **(30)** days after the member's retirement in a position covered by the
33 fund.

34 (b) Each member shall contribute to the fund three percent (3%) of
35 the member's compensation as set forth in IC 5-10.2-3. However, the
36 member's employer may pay the contribution on behalf of the member.

37 (c) If a member's employer elects to pay the members' contributions
38 for its employees, the employer must initiate the payments as part of
39 salary and fringe benefit adjustments provided to these employees.

40 SECTION 6. IC 5-10.4-5-13, AS AMENDED BY P.L.72-2007,
41 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2008]: Sec. 13. (a) IC 5-10.2-4-8, IC 5-10.2-4-9, and

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1 IC 5-10.2-4-10 apply to the reemployment of a retired member.
2 (b) This subsection does not apply ~~after June 30, 2007,~~ to a member
3 who is reemployed more than ~~ninety (90)~~ **thirty (30)** days after the
4 member's retirement in a position covered by the fund. For a retired
5 member who withdraws from retirement status, resumes teaching, and
6 again retires, the board shall pay the member, after the member's
7 second or subsequent retirement, a monthly retirement benefit at least
8 equal to the highest amount the retired member has received as a
9 retirement benefit.

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SENATE MOTION

Madam President: I move that Senator Deig be added as coauthor of Senate Bill 51.

WEATHERWAX

SENATE MOTION

Madam President: I move that Senator Tallian be added as coauthor of Senate Bill 51.

WEATHERWAX

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 51, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, between lines 13 and 14, begin a new paragraph and insert:

"(f) The thirty (30) day period provided for in subsection (c)(2) may be implemented unless the board of trustees of the Indiana state teachers' retirement fund receives a determination from the Internal Revenue Service prohibiting the implementation."

and when so amended that said bill do pass.

(Reference is to SB 51 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 9, Nays 0.

SENATE MOTION

Madam President: I move that Senator Sipes be added as coauthor of Engrossed Senate Bill 51.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred Senate Bill 51, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 9, after "education" insert ",".

Page 2, line 9, strike "or".

Page 2, line 9, strike "to".

Page 2, line 12, delete "." and insert ", **or after June 30, 2008, a member of the public employees' retirement fund who is reemployed more than thirty (30) days after the member's retirement in a covered position.**".

Page 2, line 25, strike "ninety (90)" and insert "**thirty (30)**".

and when so amended that said bill do pass.

(Reference is to SB 51 as printed January 18, 2008.)

NIEZGODSKI, Chair

Committee Vote: yeas 7, nays 0.

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